



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

FOR IMMEDIATE RELEASE
January 20, 2004

CONTACT: Mitchel Benson
(916) 653-4052
(916) 769-5087 cell

Treasurer Angelides Kicks Off Statewide Tour To Protect Critical Role Of California's Public Higher Education Campuses In State's Economy

Two-Day Tour Visits Fresno State Viticulture Center, as Governor Schwarzenegger Proposes to Slash Funding, Hike Tuition, and Cut Financial Aid

FRESNO, CA – California State Treasurer Phil Angelides today kicked-off a two-day statewide tour to protect the critical role of California's world-renowned public higher education system in the State's economy, by touring the internationally recognized Viticulture and Enology Research Center at California State University, Fresno. The Treasurer will be visiting University of California (UC), California State University (CSU) and California Community College campuses from Chico to San Diego on Tuesday and Wednesday, highlighting the diversity and accomplishments of various research, educational, and training programs at six different schools, and how the programs contribute to California's economic competitiveness and the State's leading role in the global economy.

The Treasurer's tour comes in the wake of the release of Governor Arnold Schwarzenegger's recent budget that proposes deep cuts in state funding, steep tuition hikes, reduced enrollment, and cuts in financial aid for higher education across the State.

"As Treasurer, my first priority must be to protect our economy today, and build our economy for tomorrow," Angelides said. "I believe we need to burnish the crown jewel that is this State's higher education system, not break it down into shards. Unfortunately, the Governor's budget would shatter California's historic commitment to its public colleges and universities. We must fight to protect and increase investments in these institutions, as they will be our ticket to economic progress in the decades ahead, just as they were in the last half of the 20th century."

Angelides' visit to the Viticulture and Enology Research Center (VERC) marked the third stop on his statewide tour. The VERC is one of several research centers of the California Agricultural Technology Institute, a non-profit collaboration between the University and agricultural industries that seeks to improve California agriculture. VERC's research objectives include developing effective wine, raisin, and table-grape growing practices, improving existing methods of vineyard management, testing new processes and materials used in the wine industry, and developing new food products and techniques.

Page 1 of 2

In meeting with VERC researchers and touring the Center's winery, the Treasurer said, "The Viticulture and Enology Research Center is developing cutting-edge technology that will help California remain at the forefront of agricultural innovation and production. We are here today fighting for the UC, CSU and Community College systems because of the leading role they play in our State's and nation's economic competitiveness."

Governor Schwarzenegger, on January 9, proposed more than \$700 million in cuts for California's higher education institutions. The Schwarzenegger Administration also proposes to hike student fees at UC, CSU and California Community Colleges, including a 40 percent increase in graduate student fees at UC and CSU (see attached summary of proposed budget impacts). VERC is one of many research centers across the state that could face cuts in the Governor's proposed budget.

California is one of the world's leading grape producers, accounting for 90 percent of U.S. production and more than seven percent of global output. The wine grape growing industry contributed \$33 billion to the State's economy last year, and the industry directly generates nearly 43,000 jobs in California. The Central Valley economy benefits greatly from viticulture, as San Joaquin, Madera, and Fresno counties are the top three wine grape growing counties in the state (in acres).

Angelides' visit to Fresno today was the third of six stops planned across the State on Tuesday and Wednesday, where the Treasurer will be visiting UC, CSU, and California Community College campuses from Chico to San Diego. Earlier today, the Treasurer visited UCLA's Center for Embedded Networked Sensing (CENS) program and San Diego City College. On Wednesday, the Treasurer is expected to visit with students, teachers and administrators at CSU-Sacramento's College of Education, UC- San Francisco's Mission Bay Campus, and CSU-Chico's School of Engineering, Computer Science, and Technology.

For more information about this and other stops on the two-day tour, please contact Communications Director Mitchel Benson at (916) 653-4052.

#

Page 2 of 2

Impacts Of Governor Schwarzenegger's Budget On California's Public Higher Education System

Governor Schwarzenegger's proposed budget will have a dramatic, negative impact on the University of California, California State University, and California Community College systems. According to the non-partisan Legislative Analyst, the Governor's Budget "includes over \$700 million in reductions in higher education."

Here are some of the specific impacts of the Governor's budget proposal:

Cuts in Funding

- Reduces UC research funding by five percent (\$11.6 million)
- Eliminates General Fund support for the UC Digital California Project, which provides access for K-12 school districts to the Internet (\$14.3 million)
- Eliminates General Fund support for UC and CSU outreach programs (\$110 million)
- Increases student-to-faculty ratios by five percent (\$88.7 million)
- Makes unallocated funding reductions, which could lead to, among other things, a loss of course sections (\$98 million for UC and CSU over two years)

Higher Fees and Tuition

- Hikes undergraduate fees at UC and CSU by 10 percent (UC: from \$4,985 to 5,482; CSU: from \$2,046 to \$2,251)
- Hikes fees for graduate students at UC and CSU by 40 percent (UC: from \$5,219 to \$7,307; CSU: from \$2,256 to \$3,158)
- Hikes fees for Community College students by 44 percent (\$18 to \$26 per unit)

Reductions in Enrollment

- The budget proposes to reduce the enrollment at both UC and CSU. 8,200 students will be turned away at UC, and 13,800 will be turned away at CSU.

Cuts in Financial Aid

- The budget reduces eligibility for Cal Grants for middle-income families by reducing the family income threshold by 10 percent (For Cal Grant A, from \$67,000 to \$60,840 for a family of four).
- Reduces amount of UC and CSU fee revenue allocated to financial aid from one-third of fee revenues to 20 percent.
- Provides no increase in Cal Grant awards to reflect increase in fees at UC and CSU.